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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,522	03/13/2001	Douglas Monticciolo	198191/0004	1852
7590 STROOCK & STROOCK & LAVAN LLP 180 Maiden Lane New York, NY 10038			EXAMINER SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT 3695	PAPER NUMBER
			MAIL DATE 12/04/2008	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/805,522

Applicant(s)

MONTICCIOLLO, DOUGLAS

Examiner

Narayanswamy Subramanian

Art Unit

3695

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 October 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3 and 5-8 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3 and 5-8 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF/IC)
- Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This office action is in response to applicants' communication filed on October 23, 2008. Amendments to claims 1 have been entered. Claims 1-3 and 5-8 are currently pending and have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-3 and 5-8 are rejected because the claimed invention is directed to non-statutory subject matter.

35 USC 101 requires that in order to be patentable the invention must be a “**new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof**” (emphasis added). It is not clear as to which statutory class the claimed invention belongs.

The claimed invention does not fall in the process category for the following reason. The Supreme Court has recognized only two instances in which such a method may qualify as a section 101 process: when the process ‘either [1] was tied to a particular apparatus or [2] operated to change materials to a ‘different state or thing.’” In *Diehr*, the Supreme Court confirmed that a process claim reciting an algorithm could state statutory subject matter if it: (1) is tied to a machine or (2) creates or involves a composition of matter or manufacture.¹² 450 U.S. at 184. There, in the context of a process claim for curing rubber that recited an algorithm, the Court concluded that “[t]ransformation and reduction of an article ‘to a different state or

thing' is the clue to the patentability of a process claim that does not include particular machines."

In *Comiskey* (*In re Comiskey*) "the mere use of the machine to collect data necessary for application of the mental process may not make the claim patentable subject matter." *Comiskey*, 499 F.3d at 1380 (citing *In re Grams*, 888 F.2d 835, 839-40 (Fed. Cir. 1989)). In other words, nominal or token recitations of structure in a method claim should not convert an otherwise ineligible claim into an eligible one. For the same reason, claims reciting incidental physical transformations also may not pass muster under section 101. To permit such a practice would exalt form over substance and permit claim drafters to file the sort of process claims not contemplated by the case law.

In *Benson*, the Court reviewed the facts of several of its precedents dealing with process patents before drawing the conclusion that "transformation" is the clue to patent-eligibility "of a process claim that does not include particular machines." *Benson*, 409 U.S. at 68-71 (emphasis added). The cases *Corning* (tanning and dyeing), *Cochrane* (manufacturing flour), *Tilghman v. Proctor*, 102 U.S. 707 (1880) (manufacturing fat acids), and *Expanded Metal Co. v. Bradford*, 214 U.S. 366 (1909) (expanding metal), can all fairly be read to involve transformation of some article or material to a different state or thing. *Id.* at 69-70. *Benson* also compared *O'Reilly v. Morse*, 56 U.S. (15 How.) 62 (1854), to *The Telephone Cases*, 126 U.S. 1 (1888), reasoning that Morse's eighth claim was disallowed because it failed to recite any machinery for carrying out the printing of characters at a distance, instead simply claiming the use of "electromagnetism, however developed" for that purpose. *Id.* at 68. In contrast, Bell's claim in *The Telephone Cases*

recited certain specified conditions for using a particular circuit for the transmission of sounds. *Benson*, 409 U.S. at 68-69.

These cases illustrate process claims where the recited machines played a central role in generating a useful result. In direct contrast, human- driven methods that merely recite a device that is insignificant to accomplishing the method (like the claim in *Grams*) and do not transform any article should not be recognized as a "process" claim similar to the above-cited cases. See *Diehr*, 450 U.S. at 191-92 ("insignificant post- solution activity will not transform an unpatentable principle into a patentable process).

In the instant case, the steps of maintaining an electronic database on a computer having memory and storing information about the loans in the database do not play a central role in generating a useful result. Nominal or token recitations of structure in a method claim should not convert an otherwise ineligible claim into an eligible one. Hence the recited method of claims 1-3 and 5-8 does not qualify as a process under 35 USC 101. (See also *Ex Parte Langemyr*, Appeal 2008-1495, BPAI Decision May 28, 2008).

Response to Arguments

4. Applicant's arguments with respect to pending claims have been considered but are moot in view of new grounds of rejection.

Conclusion

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor,

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Alexander Kalinowski can be reached at (571) 272-6771. The fax number for Formal or Official
faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent
Application Information Retrieval (PAIR) system. Status information for published applications
may be obtained from either Private PMR or Public PAIR. Status information for unpublished
applications is available through Private PMR only. For more information about the PMR
system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR
system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Narayanswamy Subramanian/
Primary Examiner
Art Unit 3695

December 1, 2008